

THE NEW TRUSTEES

More than 6,200 people have become trustees of new grant-making trusts in the UK since 2005. **Who are these people?**

We have researched our New Trust Update database to answer this question.

KEY POINTS:

- The New Trustees are wealthy: 106 New Trustees have estimated wealth in excess of £100m. We have identified more than £31 billion in combined wealth amongst New Trustees
- The New Trustees are international: 119 New Trustees live abroad
- London and Salford, Manchester are the centres for new philanthropy; our **New Philanthropy Index** shows high concentrations in these areas
- Trust boards were smaller in 2012, with fewer than three members on average
- A handful of serial philanthropists are on the boards of three or more trusts
- Coutts and Co is the corporate trustee with the largest number of new trusts to its name.

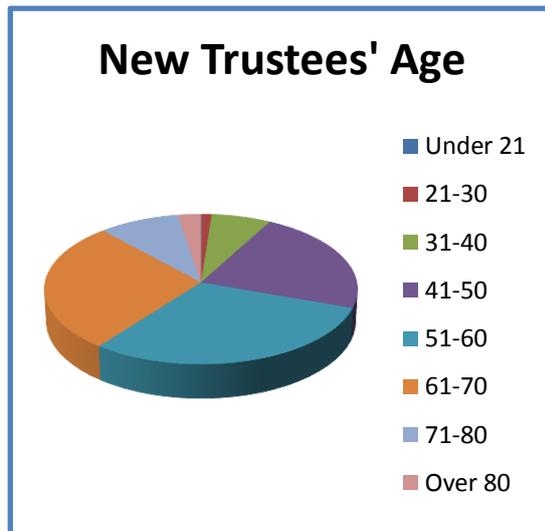
THE DATA

We analysed 1,886 grant-making charitable trusts registered in England and Wales in the period from 2005 to June 2013. All of these trusts were researched by Factory from Charity Commission data. Each of them was identified as a grant-maker and featured in our monthly New Trust Update publication.

These trusts shared a total of 6,362 trustees, including 78 corporate bodies as trustees - for example, a bank acting as a trustee.

NEW TRUSTEE DEMOGRAPHICS

76% of trustees (where we can identify a gender) are men, against 24% women. 30%, the largest age-band group, are aged between 51 and 60:



IT HELPS TO BE WEALTHY

We have identified 860 millionaires amongst the trustees of newly registered trusts – meaning that at least 14% are millionaires. Included amongst these people are 106 people with an estimated wealth of £100m or more, and 223 with estimated wealth of between £10m-£99m. Note that these figures may include spouses.

The total identifiable wealth amongst the New Trustees is £31.28 billion, or an average of £16.6m per trust. These figures correspond with the findings of our December 2012 study “**Foundations of Wealth**” (see <http://factory.com/2012/12/foundations-of-wealth-2012/>). In that study we identified and profiled 32 people with wealth of £10m or more who had created new grant-making trusts in 2012; their combined estimated wealth was £18 billion.

Strategic Implications:

- *For Fundraisers*
 - Combine or at least co-ordinate your trusts and major donors programmes
- *For Wealth Advisors*
 - People of wealth need advice on structuring and creating grant-making trusts

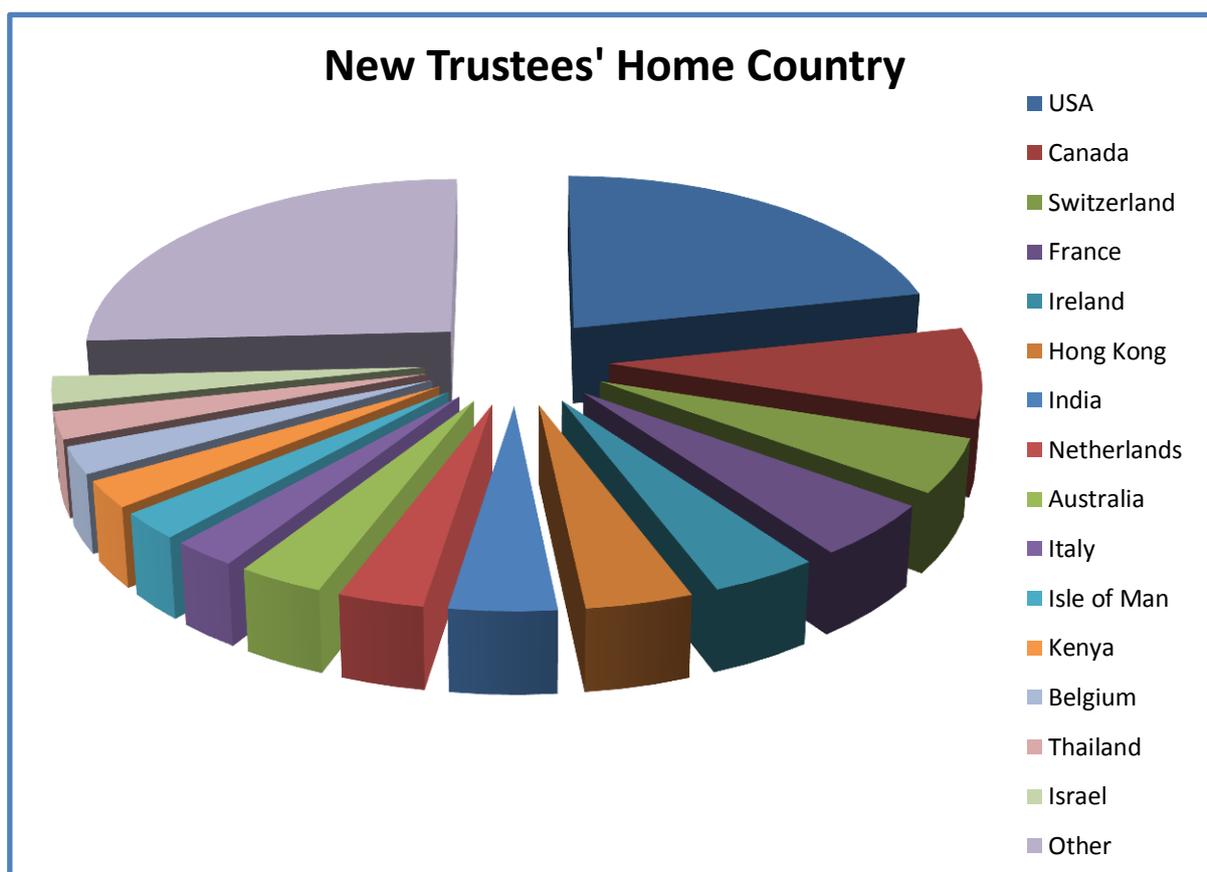
WHERE DO THEY LIVE?

As part of our research into newly registered trusts we gather information on the home addresses of trustees. We have address data for around half of all New Trustees.

OVERSEAS TRUSTEES

Trustees of UK trusts do not have to live in the UK, and in fact 119 trustees of new grant-making trusts give an address overseas. The USA is the most common overseas location with 26 trustees based there followed by Canada (10), Switzerland and, perhaps surprisingly, France (six each.) The Swiss trustees include;

- A real estate investor from Liverpool with a £500m portfolio
- A Briton living in Zurich whose day-job is as the manager of a trust with past connections to the Rothschild family
- The President of a Swiss foundation who is a former director of the Julius Bär Family Office
- A Borehamwood accountant who lives permanently in Switzerland

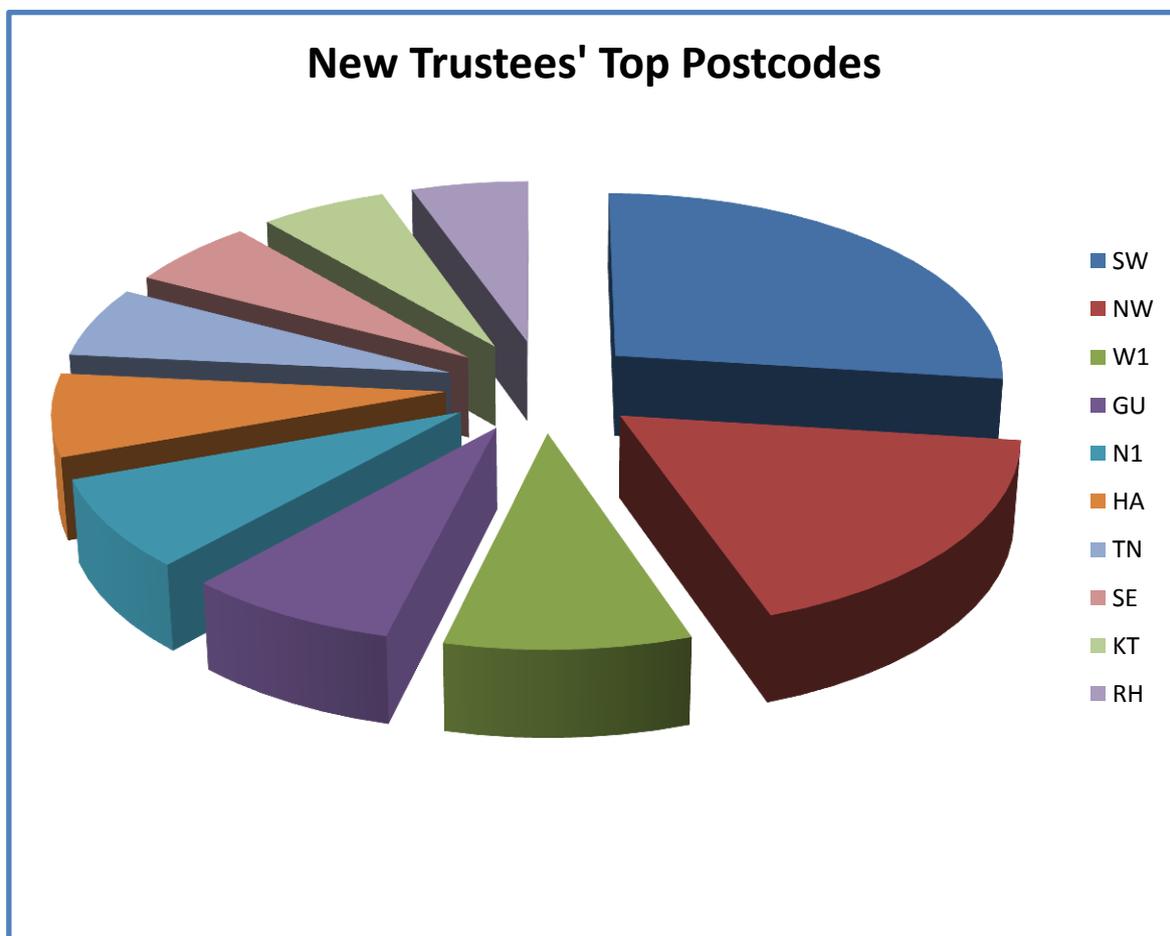


There are some surprising locations amongst the leading countries, with Thailand, Brazil, Belgium and Kenya each having three trustees.

At Factory we know that philanthropists are international – and therefore that research in one country is never going to be enough. That's why we have an international research team covering the key countries on this list.

TRUSTEES BY POSTCODE

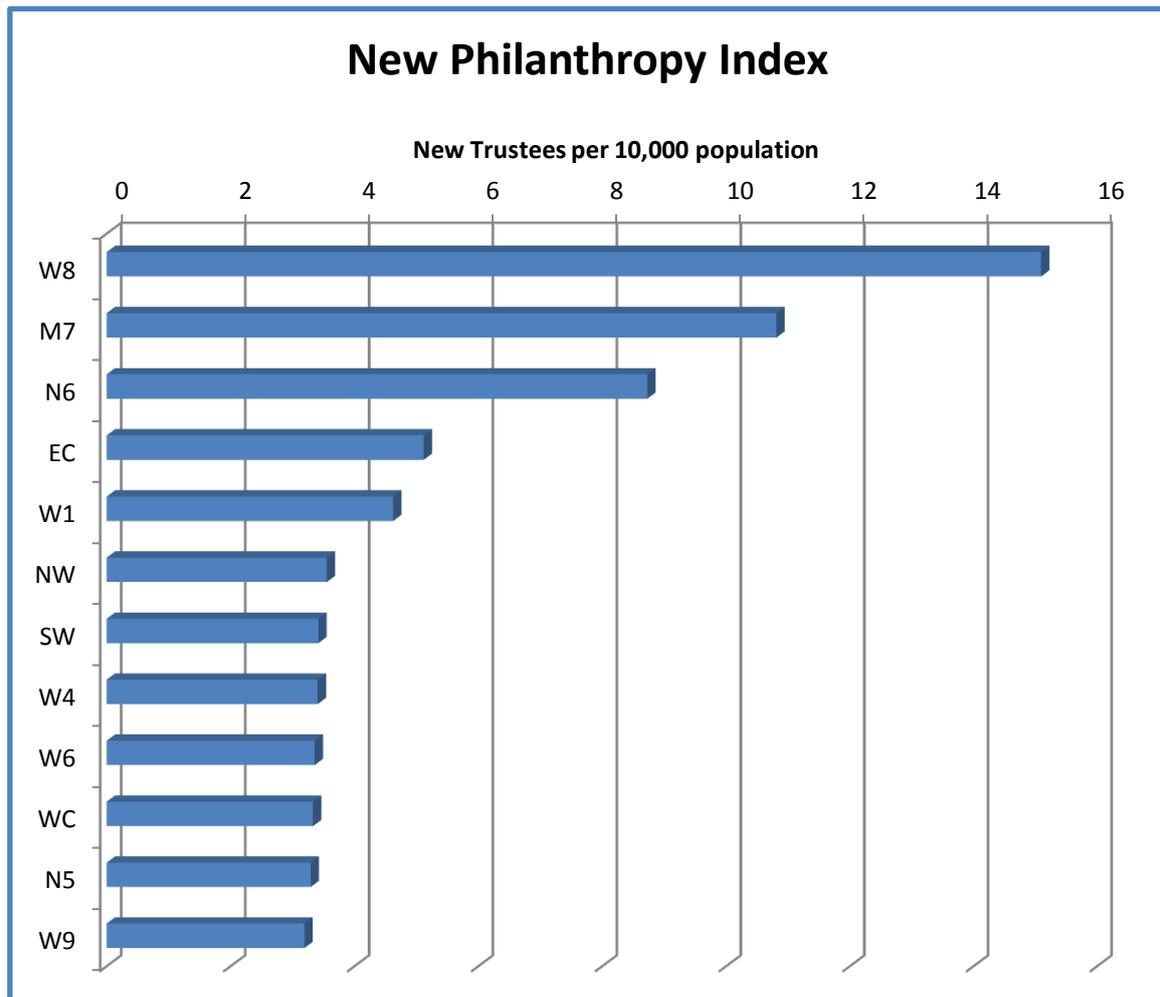
In the UK it is no surprise to learn that the largest concentration of trustees is in London, with 941, 35% of New Trustees for whom we have identifiable addresses. Within London, the largest groups are in the SW, NW and W1 postcodes. For the following graphics we have removed corporate trustees; these, in other words, are people as trustees:



The graph is a breakdown of the top ten postcode districts only (each of these postcodes represented 2% or more of individual trustees.)

But there were more than 874,000 people living in the SW area at the 2011 census, so it is not a surprise that many are trustees. **Where is the highest density of new philanthropists?**

To calculate this we used 2011 Census data for postcode districts, grouping some postcode districts together where the geographic area is small. We then calculated the number of trustees per 10,000 population as a “New Philanthropy Index.”

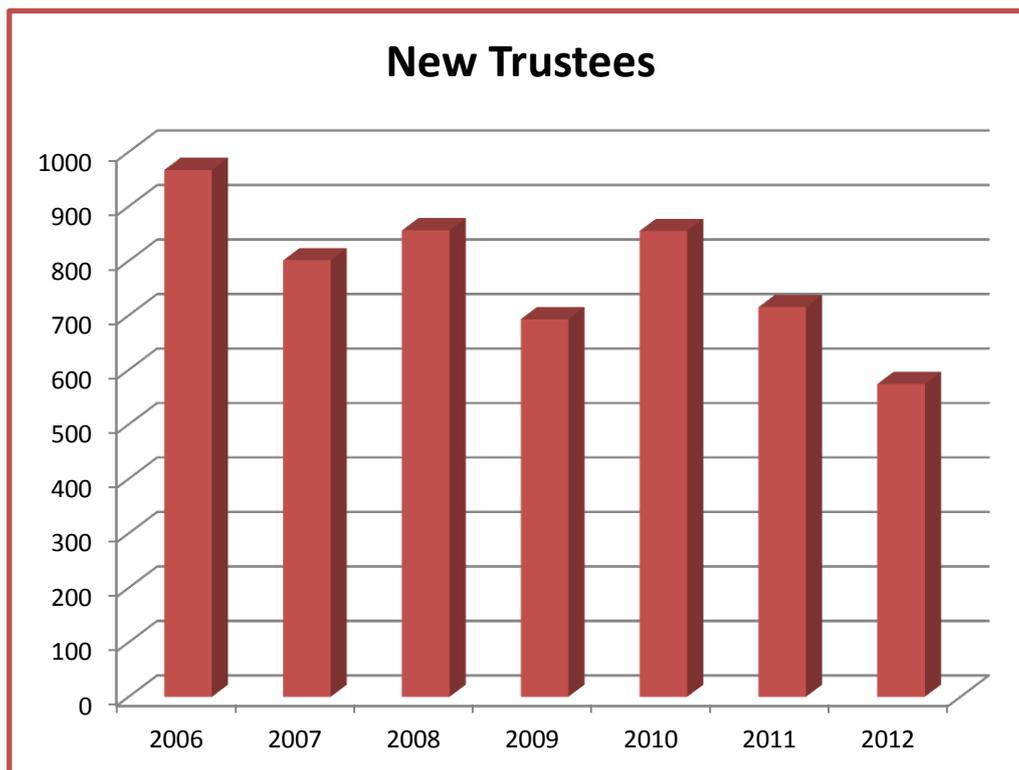


The London postcodes will not be a surprise – London W8, Kensington and part of Holland Park, is in the lead. This area contains a high proportion of people of wealth, and trustees include a number of families and at least one well-known British artist.

You might be more surprised to see that Salford - the M7 postcode including Higher Broughton, Cheetwood, Lower Broughton and Kersal contains the **second highest concentration of new philanthropists in the UK**. Many of the new foundations created by philanthropists living in this area are designated to support Jewish causes, including the relief of poverty in the Jewish community worldwide.

NEW TRUSTEES - SMALLER BOARDS?

On average 780 people each year become the trustees of new grant-making foundations. This number has been on a gentle decline since 2006 when 967 people became trustees of a total 264 trusts. In 2012, 574 people became trustees of 194 trusts. Part of this shift is caused by changes in the number of trusts being registered (we have written about this as “The End of the New Trusts Recession” <http://factory.com/2012/02/the-end-of-the-new-trusts-recession/>).



The figures are also the result of smaller trustee boards: in 2006 each trust had an average of 3.66 trustees, while in 2012 that figure was 2.96. Most of the reduction in trustee board numbers was in the period 2010-2012 – we speculate that this may be linked to the recession.

CORPORATE TRUSTEES

Wealth managers are increasingly turning to trusts as the vehicle for their clients' philanthropy. So it is no surprise that Coutts and Co is registered as a trustee for 29 newly created grant-making trusts. NatWest's Trust & Estate Service, HSBC Trust Co (UK) Ltd and Messrs Hoare Trustees (of C. Hoare & Co, the independent private bank) are all legally recorded as trustees, along with various solicitors firms.

Strategic Implication:

- For Fundraisers
 - Develop a relationship with these corporate trustees
- For Wealth Advisors
 - No single company has the monopoly on new trusts; this could be an opportunity to build a business

SERIAL TRUSTEES

Most - 6,041 of 6,284 individual (non-corporate) trustees - are trustees of a single, new grant-making trust. But a handful are serial trustees of four or more new grant-makers. Thirteen individual trustees, each on the board of at least three new trusts, share out 45 grant-makers between them.

One, with seven trusts listed, is a little-known Norfolk solicitor with private client wealth management business. Another, with four new grant-makers listed is a Leatherhead solicitor and investment manager with twelve active directorships including investment firms and film partnerships. Some of the serial trustees are involved in linked family foundations – two examples are trustees of three new linked family trusts; both are children of a family with an estimated wealth of £200 million.

Strategic Implication:

- For Fundraisers
 - These few serial trustees are influential. Research could help you understand their networks and philanthropy

CONCLUSION

New trusts, and their New Trustees give us a picture of philanthropy in the UK today – its demographics and its trends. Understand new trusts, and you are a long way toward understanding strategic philanthropy in this market.

Researchers: *Chris Carnie, Will Whitefield, Duncan Au, David Hughes*

Bristol, July 2013

SUBSCRIBE, FOR LESS

As a "thank you" for taking the time to read this report, we are offering a 15% discount on a year subscription or a 20% discount on a two-year subscription to New Trust Update. This offer is valid to 6th Sept 2013.

Contact David Hughes at Factory, davidh@factory.com, or call him on 0117 916 6740, and quote reference "NT4NTU."

NEW TRUST UPDATE

New Trust Update is the source of the data in this report.

Each month, Factory researchers interview the settlors and administrators of newly registered grant-makers and conduct in-depth research to provide biographical information and details of the founders' charitable interests and activities.

Factory's monthly New Trust Update includes:

- up to 20 profiles of recently registered grant-makers
- contact details for the trusts' correspondents
- each trust's objects and area of benefit
- trustees' names with home town, where available
- the editor's comments from the interview conducted with the correspondent
- detailed research notes on the correspondent, the trustees and the trust itself
- details of the initial investment made to the trust.

To ensure that subscribers get the best possible chance with these new trusts we limit the circulation of New Trust Update to a maximum of 100 subscribers and operate a three-month embargo on featured profiles; they will not be used by Factory in any other research work during that period, enabling subscribers to approach trusts first.

Reviews of past issues indicate that at least 10% of new registrations are now major donors with current grants approaching £1 million.

IN SUBSCRIBERS OWN WORDS

"It produced a lot of leads. Those leads produced £8k in new revenue funding (from two sources)." Shoaban Nair, **Freedom from Torture**

"New Trust Update is excellent - in depth (as possible) research that saves me many hours of searching and phone calls." Sarah Wightwick, **Marie Curie Cancer Care**

"The research of new trusts and their trustees is very thorough and relevant to our needs. The trusts included in NTU cover a wide range of charitable objectives and we always find a good proportion that are appropriate for us to approach. We have had some small successes and one or two significant donations from trusts identified by Factory." Jenni Hancock, **Multiple Sclerosis Society**